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ABSTRACT

Analyzing FY 74 GI Bill data seems to confirm that a Vietman veteran's chances of using the GI Bill turn on what state he is from. Geography controls opportunities because the formula of today's GI Bill, unlike that of World War II's Bill, ignores state differences in educational costs. This legislative formula inadvertently minimizes veterans' use of their deferred compensation for military service in Eastern and Midwestern states. Under the formula of today's GI Bill, all veterans get the same flat monthly sum--$220--to pay for education and living costs. The World War II GI Bill provided a sustenance payment of $75 per month and a separate payment for tuition, books and supplies of up to $500 per year directed to the educational institution. In addition, current benefits levels are interpreted by the Veterans Administration to show that veterans today have more adjusted dollars than did World War II veterans. However, this computation is based on Consumer Price Index data, which treated the 1948 dollars as being worth $2.00 in October 1974 dollars. In actuality, figures like the minimum wage and average monthly earnings have increased three to five times their 1948 levels. Federal or state corrective action is needed to give all veterans equal educational buying power and to give them the needed income base. (Author/KE)

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NATIONAL LEAGUE OF CITIES

UNITED STATES CONFERENCE OF MAYORS

GEOGRAPHY CONTROLS GI BILL OPPORTUNITIES

November 11, 1974

A Staff Report
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Training Service (VETS)

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
NATIONAL INSTITUTE OF EDUCATION

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GEOGRAPHY CONTROLS VIETNAM-ERA GI BILL USE -- Summary

Vietnam veterans are a major concern of the nation's Mayors. Some 7,000,000 men served the nation during the Vietnam era, and they have returned to cities in large numbers seeking employment and education. This paper makes a number of significant findings, which can be summarized as follows:

1. Geography controls GI Bill use. Under the formula of today's GI Bill, all veterans get the same flat monthly sum -- $220 -- to pay for education and living costs. The World War II GI Bill provided a subsistence payment of $75 per month and a separate payment for tuition, books and supplies of up to $500 per year, direct to the education institution. Because differences in state tuition charges go unrecognized, veterans in Eastern and Midwestern high-tuition states have a harder time taking education and training than veterans in lower-cost Western and Southern states. Veterans were taken under uniform national draft criteria; yet whether or not they can use their GI Bill depends upon the structure of their state's secondary education system.

A veteran can attend San Francisco State and spend only 19.2% of his GI Bill for education. He's left with $1,600 for subsistence, or $178 per month. A veteran from the same company may have returned to Buffalo, New York, where he will have to spend $1,116 for education costs. or 56.4% of his GI Bill, leaving him with $96 per month for subsistence. Largely, as a result, 41.4% of California's veterans have used the GI Bill to attend college or junior college, and only 22.3% of New York's vets have done so.

KEY GI BILL STATISTICS IN LARGE STATES (FY 68-74)

States Ranked by Vet. Pop.	GI Bill Pmts. FY 1968-74	Public College Tuition	2 & 4 Yr. Col. GI Bill Use Rate	Per Capita Pmts. 68-74	Viet Vet Population
California	$1,726,090,000	$165	41.4%	$2,106	820,000
New York	$ 634,000,000	$750-900*	23.2%	$1,236	513,000
Pennsylvania	$ 483,600,000	$960-1050	17.5%	$1,253	386,000
Texas	$ 656,740,000	$284-322	29.1%	$1,703	386,000
Ohio	$ 432,000,000	$780-840	18.6%	$1,199	361,000
Michigan	$ 403,000,000	$730-904	25.2%	$1,412	286,000
Indiana	$ 195,000,000	$722-750	15.2%	$1,082	181,000

* -- Figures for SUNY. CUNY is free except fee of $70.

A GI Bill based on average tuition costs is like Congress giving a vet an airline ticket from Vietnam when he lands in California with the ticket payment based on average cost of airline tickets in the U.S. Only half the vets would make it home.

2. GI Bill benefits for all veterans are inadequate, compared with what World War II veterans received. Current benefits levels are interpreted by the Veterans Administration to show that veterans today have more adjusted dollars than did World War II veterans. However, this computation is based on Consumer Price Index data, which treat the 1948 dollar as being worth $2.11 in October 1974 dollars. But in actuality, figures like the minimum wage and average monthly earnings have increased three to five times their 1948 levels.

3. Federal or state corrective action is needed to give all veterans equal educational buying power and to give them the needed income base. Safeguards against abuses must be built into any action.

GEOGRAPHY CONTROLS GI BILL OPPORTUNITIES

Eastern and Midwestern Vietnam Veterans Face Continued Loss of Hundreds of Millions of Dollars in GI Bill Scholarship Opportunities

Analyzing FY 74 GI Bill data seems to confirm that a Vietnam veteran's chances of using the GI Bill turn on what state he is from. Geography controls, because the formula of today's GI Bill, unlike that of World War II's Bill, ignores state differences in educational costs. This legislative formula inadvertently minimizes veterans' use of their deferred compensation for military service in Eastern and Midwestern states.

While the draft ignored state lines, for many veterans the GI Bill stops at theirs. Every unmarried World War II vet had the same federal GI Bill benefits for subsistence -- $75 per month. This was because a separate payment was made directly to the veteran's educational institution to cover his costs of tuition, books and supplies, with a maximum of $500. Under today's GI Bill, each vet must meet all costs, including education costs and living costs, out of a single payment of $220 per month. This figure is an increase from the $100 per month figure set when the GI Bill was reenacted in 1966 -- a figure lower than the $110 per month paid to a Korean War veteran in 1955.

Pending legislation, which has passed Congress and awaits President Ford's signature, would raise these benefits to $270 per month for a single veteran.

State tuition variances, as well as particular states' reliance on public versus private educational systems, which made no difference to the World War II vet, make all the difference to today's vet. For example, a veteran attending the State University College of New York at Buffalo would have to pay $900 for tuition. A veteran attending San Francisco State University would only have to pay $165. When coupled with expenditures for average book and supply costs, this means that the California vet, who may have served in the same company with the New York vet, has to spend only 19% of his yearly GI Bill benefits for education costs -- while the Buffalo vet spends 56% of his benefits. The California vet has $82 more per month to apply to his living expenses (see pie chart).

The desire for education, according to studies, is uniformly high across the nation. A 1974 study done by Daniel Yankelovich

(Changing Youth Values in the 70's), and a study by the Trans-Century Corporation for the OMB, show that the desire for education is uniformly high among veterans. Ben Wattenberg, in his book, The Real America, cites a study which asked adult Americans what they would do differently if they had their lives to live over again. 43% of the adults interviewed said they would get more education -- far and away the largest category.

The World War II GI Bill covered effectively tuition, wherever the vet's desire and ability took him. All public colleges', and 89% of private colleges', tuition was covered. Harvard charged only $600 a year in 1949. Unused portions of the 48 months' entitlement could be used to cover costs in excess of the $500 per year tuition allowed. Private colleges today charge an average of $2,000 per year, and are thus completely out of reach for Vietnam vets lacking family resources. Public college costs range from California's free junior colleges and $165-per-year State University to between $750 and $1,050 in accessible public colleges in many states of the East and Midwest.

Geographic Differences Discussed

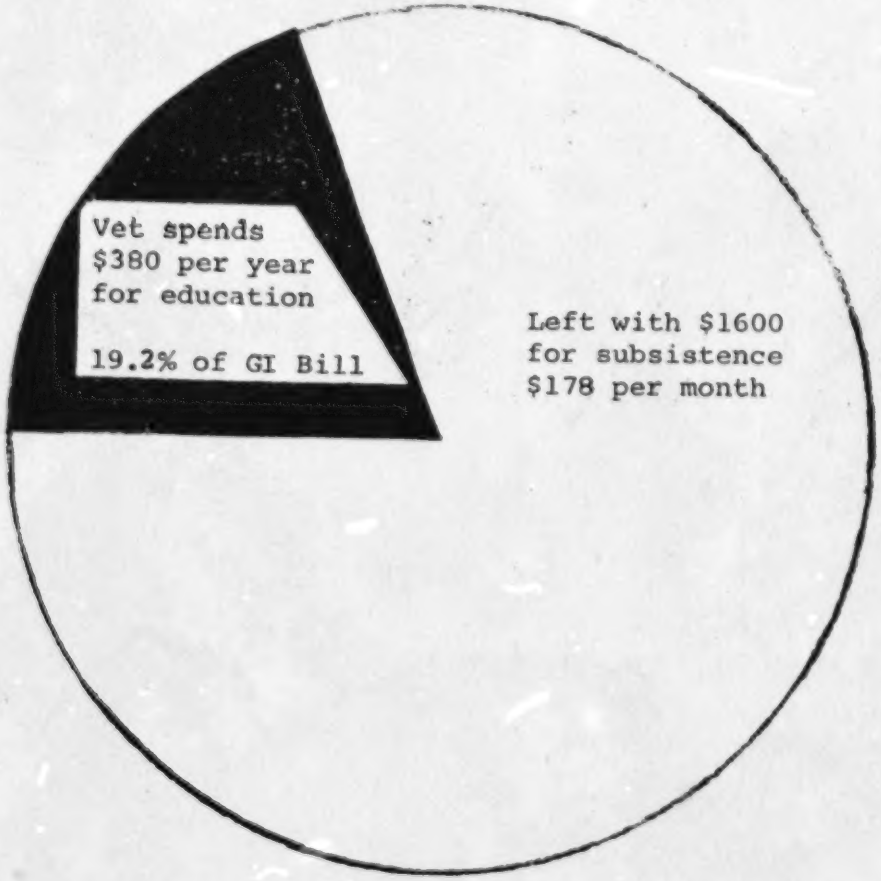
The result of the change in GI Bill formula from the World War II system of two payments to the Korean and Vietnam system of one payment did not become apparent or important until the Vietnam War figures were examined on a state-by-state basis, and geographic use patterns perceived.

Until the last 10 years, public college costs were, on the average, very low; while private college costs had begun their rise, which outpaced the general inflation. Pennsylvania and Texas, with exactly the same number of Viet vets -- 386,000 -- and Ohio, with 361,000, presumably would use roughly the same number of GI Bill dollars. Yet there has been enormous variation. The veterans in these three states, in FY 74 alone, used $181,000,000; $117,000,000; and $113,000,000, respectively. College and junior college GI Bill participation rates through April 1974 were 29.1% in Texas, 17.5% in Pennsylvania and 18.6% in Ohio, compared with a 41.4% rate in California -- the highest in the nation.

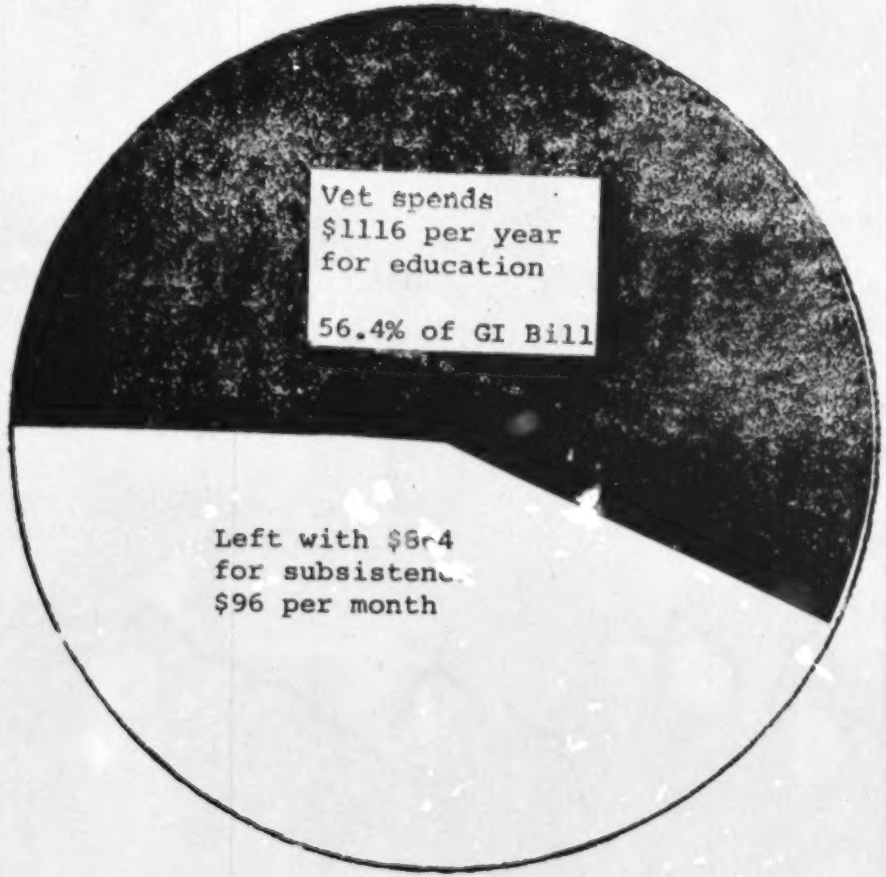
The discrepancies in GI Bill use prompted Saul Friedman, of the Knight Newspapers, to write that "If you're a veteran in Pennsylvania, Michigan or Ohio and you want an education, you'd better move to Texas or California." He continued, "The populous Eastern and Midwestern states are getting the short end of the GI Bill."

CONTRASTING TUITION COSTS AND SUBSISTENCE MONIES
OF VETERANS AT PUBLIC 4-YR COLLEGES IN CALIFORNIA AND NEW YORK

SAN FRANCISCO STATE UNIVERSITY
Tuition = $164



STATE UNIVERSITY OF NEW YORK
COLLEGE AT BUFFALO. Tuition = $900



NOTE: GI Bill benefits for one academic year = $1980.
Average book and supply costs are $216, which
has been added to tuition.

The figures illustrating GI Bill use in the seven states with 43% of the Viet vet population follow:

LARGE STATES' GI BILL PAYMENTS AND VETERAN POPULATIONS COMPARED TO CALIFORNIA (FY 74)

	GI Bill Pmts. FY 1974	State GI Bill Pmts. as % of Calif. GI Bill Pmt.	State Vet.Pop. as % of Calif. Vet. Pop.	State Viet Vet Pop.
California	$456,620,000			820,000
New York	$162,280,000	35.5%	- 62.6%	513,000
Pennsylvania	$117,680,000	25.8%	- 47.1%	386,000
Texas	$181,360,000	39.7%	- 47.1%	386,000
Ohio	$112,980,000	24.7%	- 44.0%	361,000
Illinois	$132,350,000	29.0%	- 42.2%	346,000
Michigan	$108,750,000	23.8%	- 34.9%	286,000

On a cumulative basis, the results are magnified. New York's 513,000 vets have used $1,100,000,000 less in benefits than the 820,000 vets in California have used -- $634,280,000 to $1,726,620,000. These figures dwarf HEW's scholarship spending for all students, yet they have gone unnoticed by the education community generally, probably because the money goes directly to the veteran. Following are the seven-state figures for the cumulative period 1968-74:

LARGE STATES' GI BILL PAYMENTS AND VETERAN POPULATIONS COMPARED TO CALIFORNIA (FY 68-74)

	GI Bill Pmts. FY 68-74	State Pmts. as % of Calif. Pmt.	State Vet.Pop. as % of Calif. Vet. Pop.	Add'l State GI Bill Pmts. if Used at Calif. Rate
California	$1,726,620,000			
New York	$ 634,280,000	36.7%	- 62.6%	$446,580,000
Pennsylvania	$ 483,680,000	28.0%	- 47.1%	$329,560,000
Texas	$ 657,360,000	38.1%	- 47.1%	$155,880,000
Ohio	$ 432,980,000	25.1%	- 44.0%	$326,730,000
Illinois	$ 527,350,000	30.5%	- 42.2%	$201,280,000
Michigan	$ 403,750,000	23.4%	- 34.9%	$198,840,000

Congress' choice of formulae under federal programs determines what amount of money goes to each state. There is often a state allocation formula, which can be one of the most closely debated items in the drafting of authorizing legislation by Congress. For example, under HEW's Special Educational Opportunity Grant program

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Note: The source of dollar payments is for FY 68-73, the annual publication, "Federal Outlays" compiled for the Executive Office of the President by the Office of Economic Opportunity. For FY 74 unpublished VA data prepared for that study is the source. Data on the GI Bill participation rates and state population data is taken from VA Department of Veterans Benefits. Information bulletin 20-74-3 (April,1974).

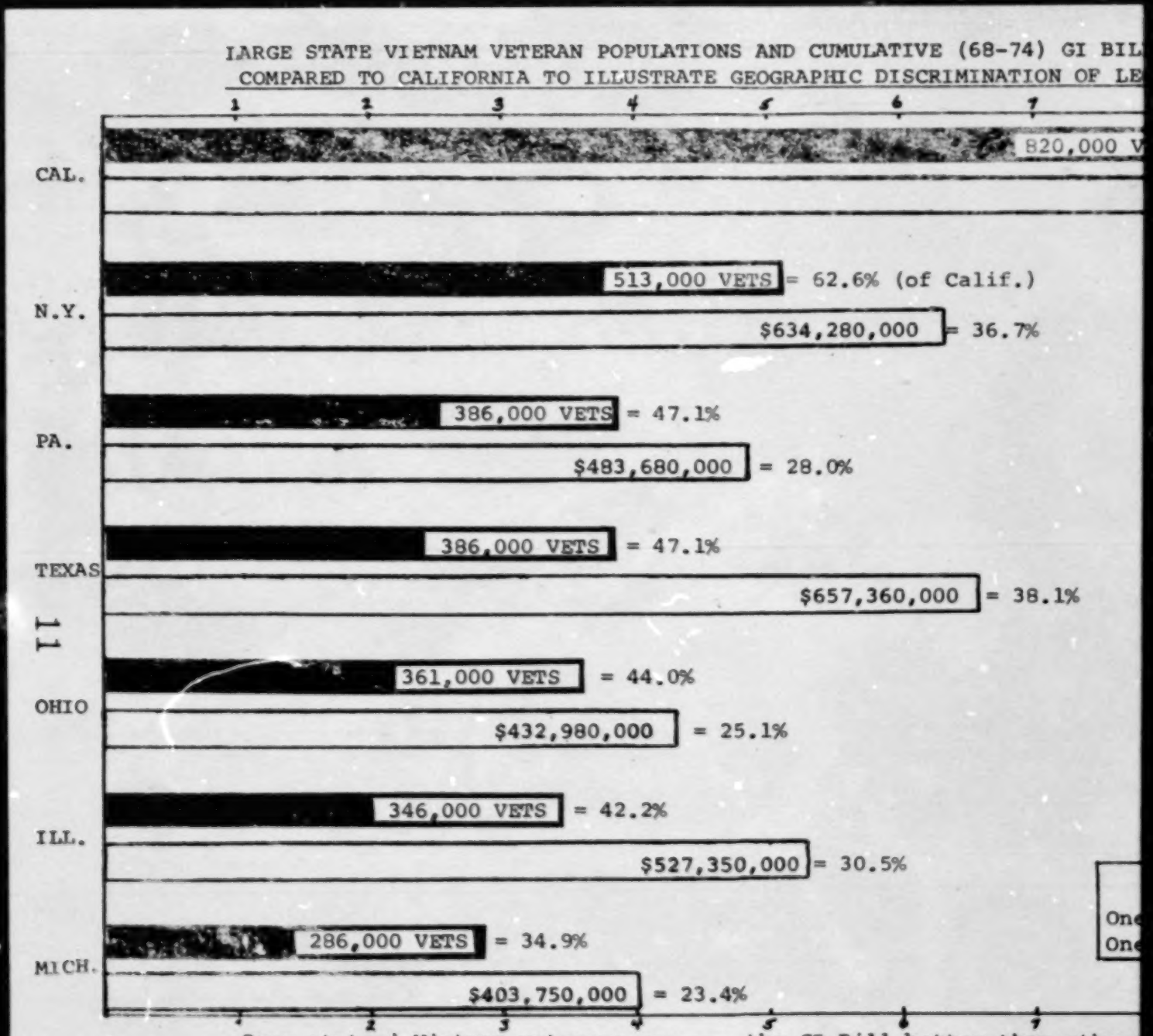
(SEOG), a typical state allocation says that each state shall receive that percentage of the appropriations that represents the ratio between the state's full-time college enrollment and the national total. This ratio represents the propensity of the state's residents to attend college and junior college, and the capacity of the state to supply places.

Under that program, in FY 74, Texas, Pennsylvania and Ohio received $9,600,000; $9,400,000; and $8,900,000, respectively -- amounts, incidentally, which very nearly coincide with their respective veteran populations. Yet under the GI Bill, those same states' payments varied by 50%, with Texas vets using $63,800,000 more than Pennsylvania vets -- $181,000,000 to $118,000,000.

COMPARATIVE DISTRIBUTION OF HEW FORMULA GRANT SCHOLARSHIP AND GI BILL FUNDS IN STATES WITH MANY VETS - 74

	GI Bill Pmts. FY 74	State GI Bill Pmts. as % of Calif. Pmt.	State SEOG Pmts. as % of Calif. SEOG Pmt.	State SEOG Pmts. FY 74
California	$456,620,000			$23,200,000
New York	$162,280,000	35.5%	72.4%	$16,800,000
Pennsylvania	$117,680,000	25.8%	40.9%	$ 9,400,000
Texas	$181,360,000	39.7%	41.3%	$ 9,600,000
Ohio	$112,980,000	24.7%	38.3%	$ 8,900,000
Illinois	$132,350,000	29.0%	44.3%	$10,300,000
Michigan	$108,750,000	23.8%	36.3%	$ 8,500,000

In the case of the GI Bill, it seems safe to assume that no one thought that the continued use of the Korean War GI Bill's single payment formula would lead to an inequitable distribution of benefits for veterans in different states. No one would want veterans who were called to federal service who came from a state with the "wrong" structure of post-secondary education to have difficulty in making any use of their GI Bill, while their fellow soldiers from other states were much better off. But the following bar chart illustrates the inequitable distribution of opportunities and funds that did in fact occur as a result of the single payment formula:


LARGE STATE VIETNAM VETERAN POPULATIONS AND CUMULATIVE (68-74) GI BIL
COMPARED TO CALIFORNIA TO ILLUSTRATE GEOGRAPHIC DISCRIMINATION OF LE
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2
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CAL.
820,000 V
N.Y.
513,000 VETS = 62.6% (of Calif.)
$634,280,000 = 36.7%
PA.
386,000 VETS = 47.1%
$483,680,000 = 28.0%
TEXAS
386,000 VETS = 47.1%
$657,360,000 = 38.1%
OHIO
361,000 VETS = 44.0%
$432,980,000 = 25.1%
ILL.
346,000 VETS = 42.2%
$527,350,000 = 30.5%
MICH.
286,000 VETS = 34.9%
$403,750,000 = 23.4%
Some states' Vietnam veterans ca
Pennsylvania have 386,000 vets each and Ohio 361,000. Yet cumulativ
$657,000,000; $484,000,000 and $433,000,000. California's do best
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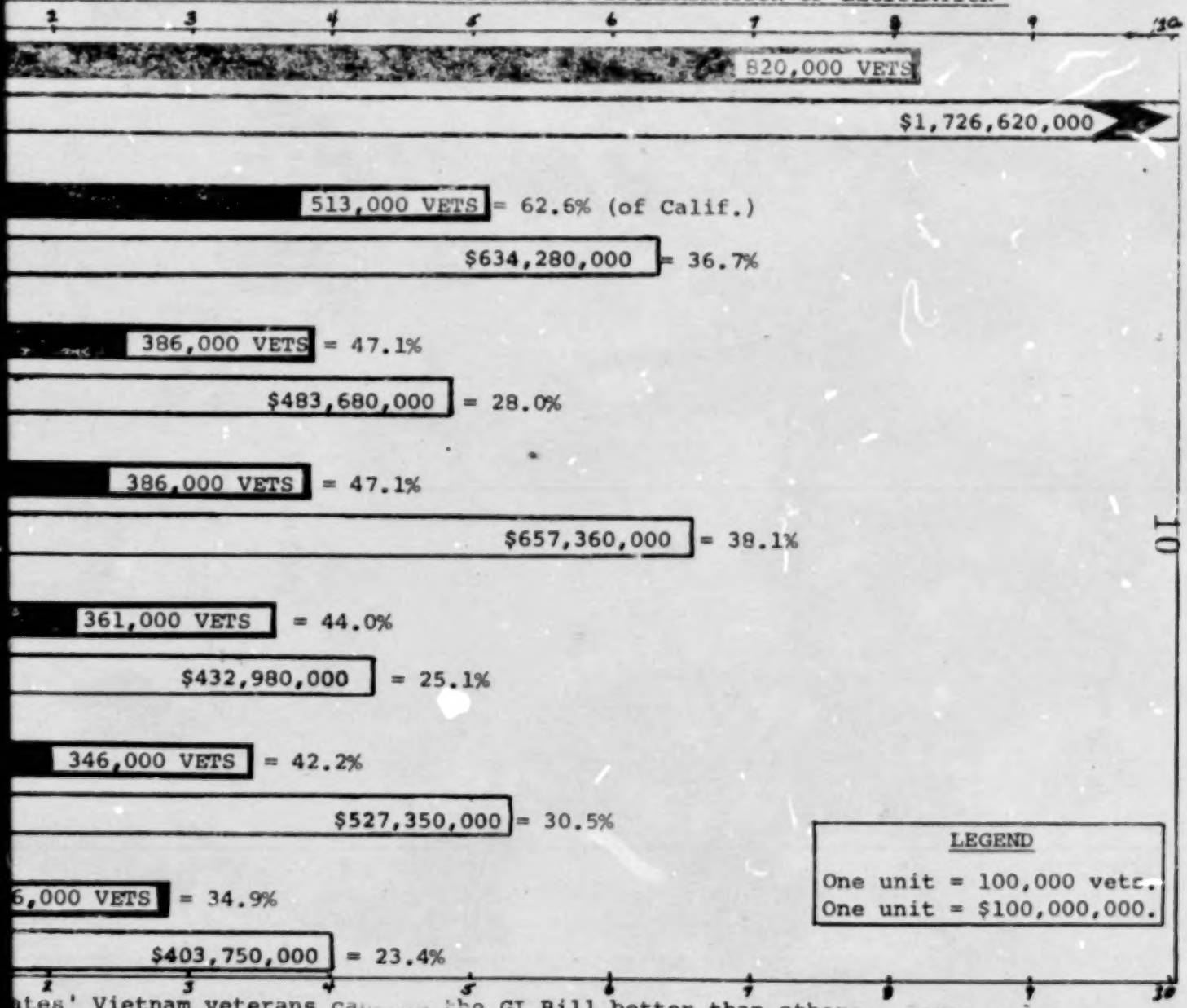
TATE VIETNAM VETERAN POPULATIONS AND CUMULATIVE (68-74) GI BILL PAYMENTS
ED TO CALIFORNIA TO ILLUSTRATE GEOGRAPHIC DISCRIMINATION OF LEGISLATION



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ates' Vietnam veterans can use the GI Bill better than others. Texas and
vania have 386,000 vets each and Ohio 361,000. Yet cumulative payments were
0,000; $484,000,000 and $433,000,000. California's do best with $1,726,000,000
ew York's 513,000 vets -- 63% of Cal's total -- used only $634,000,000.

11

It is because of education costs and the availability of low-cost junior colleges as controlling factors that GI Bill participation rates are so much higher in the West and South. The South has many good low-cost area technical schools that offer courses that in the West would be offered by junior colleges. High participation rates in these schools explain the high overall GI Bill use in states like North and South Carolina.

The fact that the cost of living, which is directly related to personal income, can be much lower in Southern states also makes veterans' GI Bill payments go much farther there. Personal incomes in New York and New Jersey for '73 were $5,705 and $5,845, respectively. North Carolina's was $4,282 and Texas' $4,571.

Some argue that a system that gives more money to some veterans is unfair. Yet the Congress frequently adds Davis-Bacon provisions to federal legislation that treats the reality of different construction and wage costs in different parts of the country. Certainly Congress wouldn't give the VA the same dollar amounts to build a 200-bed hospital in New York City and one in rural Alabama. Yet this is what it does for Vietnam veterans in different states with different tuition structures.

Private colleges were charged with the fewest abuses of the World War II GI Bill, but ironically it is those private colleges -- particularly the less famous -- which have the greatest need of students and which today's GI Bill structure -- designed to correct abuses by proprietary schools and public colleges -- now punishes. Whereas veterans comprised from 40% to 87% of male students on public and private college campuses in 1947-48, today's numbers are far different -- particularly those for private colleges. Yet many of these schools may offer precisely the courses that a veteran wants. Drexel in Philadelphia, Northeastern in Boston, Fairleigh-Dickenson in New Jersey, and Fordham in New York, as well as other less famous colleges, come to mind. Yet the high tuition of these schools, which provide up to 64% of the educational capacity in Massachusetts, close the schools to veterans. In California, private colleges contain only 14% of the male student places, and in Texas, 17.2% -- while in New York and Pennsylvania 44% attend private colleges.

Inadequacies of the Present GI Bill for all Veterans

GI Bill use is inverse to need. The poorer you are, the harder it is to come up with a part-time job, or with a bank loan to carry

you through until a late check from the VA can get to you. In the 1974 Yankelovich survey of veterans who had served in Vietnam and had not attended college, the veterans showed less satisfaction with the education they had received than did their contemporaries without military service. Only 16% of those veterans thought they had the right amount of education, versus 26% of their non-veteran peers. And only 52% of all veterans surveyed thought they had the right kind of education, compared to 69% of non-veterans.

Because of Johnson Administration resistance, the original attempt to enact a Vietnam-era GI Bill was dropped in 1965. In order to avoid a Presidential veto, Congress in 1966 held benefits down to $100 a month ($10 a month less than the Korean War figure). This decision has been the bain of veterans ever since, in that any increase looks like an enormous jump from this initial low base.

The VA, in justifying the present level of benefits, argues that, on the average, the Vietnam veteran has more dollars than did the average World War II veteran. The VA bases its computations, converting one 1948 dollar to $2.11 October 1974 dollars, on the Consumer Price Index. This is a defensible basis, but when other indicators are examined -- such as the minimum wage and the actual costof things -- this $2.11 figure clearly understates the value of those 1948 dollars.

Many will remember the nickel subway fare in New York and the nickel Coca-Cola. Today subway fare is 35¢, and a Coke costs a quarter. Yet the VA argues that a veteran who nets $1351 in today's dollars, after paying tuition, books and fees, is better off than the World War II veteran with $675 1948 dollars ($75 X 9 months).

Vietnam veterans have not asked that the GI Bill pay their full costs of education and living. "All we want is what our fathers got," is their position.

If Consumer Price Index computations had been used by Congress in determining what today's minimum wage should be, it would have taken 1948's $.40-an-hour figure and raised it to $.84 an hour! In the real world, though, Congress is 1967 increased the minimum wage to $1.60 an hour, and this year to $2.00, with increases to $2.30 legislated. In other words, the minimum wage has already increased by <u>five times</u> since 1948.

In 1948, a vet received for subsistence every month a sum $8 less than he would have earned if he had held a 48-hour-a-week job on the minimum wage. Today's veteran has $122 less than that

figure before paying tuition. In 1948, the married veteran with a child received $120 a month, which was $37 1948 dollars more than the minimum wage. Today's married vet with a child, after paying the average cost of tuition at public colleges, has $50 less than the minimum wage when he goes to look for a part-time job.

The VA says that Vietnam veterans on the average are receiving more education benefits than World War II veterans received. Even if this statement were based on more realistic computations, it still ignores the fact that all veterans -- not just the average veteran -- were given an adequate level of subsistence in 1948. If the "average veteran" approach were taken in giving veterans airline tickets home from San Francisco upon their discharge, and they were given average air fare to fly home with, half of them wouldn't make it.

The Educational Testing Service surveyed veterans' and other students' actual costs of living and found that they were far in excess of their GI Bill benefits, without having deducted any educational costs. The average expense for a married veteran with a child, exclusive of education costs and adjusted for inflation, comes to $600 a month. The GI Bill after the 23% increase, would provide $366 -- just more than half of the subsistence costs alone. And if the vet is from a high-tuition state, he would pay from $60 to $100 per month for education. The following chart details the average subsistence needs of veterans attending school in 1974:

AVERAGE MONTHLY LIVING EXPENSES FOR VIETNAM-ERA VETERANS ATTENDING SCHOOL, SEPTEMBER 1974

	Single Veteran	Married Veteran	Married Vet with a Child
Rent	$ 90	$170	$200
Food	70	140	200
Clothing, cleaning & laundry	22	40	48
Transportation	50	52	55
Medical	10	28	35
Child care			27
Miscellaneous	30	55	49
Total Monthly Expenses	$272	$485	$594
Total monthly GI Bill subsistance pmt.-H.R. 12628 (includes 23% increase)	$270	$321	$366
Supplemental income needed to meet monthly living expenses	$ 2	$164	$228

SOURCE: ETS report (excluding educational expenses and adjusted to August 1974 consumer price index)

While most veterans are eager to work in part-time jobs, those have been hard to get, because the government's economic game plan in 1969 was designed to slow inflation by creating unemployment. A heavy burden fell on Vietnam veterans, who were being discharged at the rate of one million per year. 400,000 vets were unemployed at one time. Because they are the last hired, many will be the first fired in the case of recession, still bearing the same burden.

Throughout the history of the GI Bill, late checks have been a chronic complaint of the veteran. To one who counts on his GI Bill check, its late arrival is a serious setback. The fact that Vietnam vets know that the VA has a reputation for getting its checks out late has meant that many veterans have never signed for their benefits at all.

The most recent of the five levels of GI Bill payments since its reenactment in 1966 will obviously help veterans. But for many in high-tuition states, the initial years provided benefits so low that they could not afford to go to school full-time. For example, a vet enrolling in Penn State in the fall of 1969 had $52 a month to live on after paying for tuition and books. The World War II vet at Penn State had $75 1948 dollars to live on!

Provisions in this GI Bill would extend the veteran's benefits from 36 to 45 months. World War II vets with sufficient service could get 48 months of benefits. Although Vietnam veterans may serve fewer months, the fact that their benefits were so low prevented them from going to school full-time. The extension provision would merely allow vets to complete their undergraduate schooling and make up for the low benefits.

One last note on the inadequacies of today's GI Bill. In economics, one looks at both the supply and demand side when considering the availability of goods and services. We have discussed the attractiveness of the GI Bill from the point of view of the veteran demanding the services. From the point of view of the education institutions that offer the supply, the current GI Bill provides few incentives.

Many of the nation's public and private colleges and junior colleges were able to expand their facilities as a result of the fact that the World War II GI Bill paid out-of-state tuition rates for in-state vets at public colleges. Those out-of-state charges are $2,000 in some states today, but the veteran brings only the $600 to $1,000 in-state tuition rate. A higher percentage of the actual cost of private education was covered out of the tuition payments made directly by the federal government on behalf of veteran students than has been the case since that time. Yet those private colleges are closed to most veterans by high tuitions.

Today's colleges receive a $4.00 per veteran payment per year from the VA for paper processing, increased from $3.00 in 1972. In addition, HEW has made funds available at the rate of $55 per vet per year to colleges which increase their veteran enrollments by 10% since June of 1973. However, the National Association of Concerned Veterans had to sue the Commissioner of Education to get those funds released. But a $55 payment is nothing like the vast sums made available after World War II.

The Means to Provide an Adequate GI Bill for Veterans

If the GI Bill is to provide equal opportunities for all veterans in all states, a mechanism will have to be found to recognize that the present system does not cover costs of veterans in high states.

Not only is an adequate basic payment needed, but either a state or a federal tuition equalizer payment as well. A tuition equalization provision was contained in the Senate-passed GI Bill. Under that formula, the veteran assumed the first $100 of tuition costs and the federal government picked up 80% of the next $900 for a maximum payment of $720 per school year.

The tuition equalizer would help put veterans from all states at more or less the same place on the starting line. Since the federal government declared the war and called the men into service, it should logically be a federal obligation to see that all veterans who served have equal educational opportunities -- not just "equal" dollars. However, some states passed GI Bills, and others could do the same. But the state GI Bills in places like Illinois and Massachusetts have not been totally effective in their operations, for they do not cover private colleges, nor are they extensively advertised. Both states rely heavily on private education, with 32.3% of Illinois students and 64% of Massachusetts students in private colleges. As a result of all this, it seems that many veterans are unaware of their states' efforts.

In like fashion, in 1973 Pennsylvania began to treat veterans as emancipated students, and made them universally eligible for the state education program. But that program is currently out of funds, and little advertising is directed toward veterans.

Some, including President Nixon, have argued that the equalizer provision would bail out states which do little. But an

examination of the figures shows that California will spend $1.3 billion on public education, while New York will spend $1.1 billion and Texas $450,000,000 in this fiscal year. The state tax effort is higher in the East and Midwest and California than it is in Southern states. Yet veterans in high-cost-of-education states in the East and Midwest are being penalized because of the states' historical reliance on private initiative through private colleges, and because of the tradition that the college student pay a higher percentage of his education costs than in states where public education is more subsidized.

In the case of action, either state or federal, to equalize tuition, the very real problems raised by opponents of such a provision must be dealt with, both legislatively and administratively:

1. If the funds were given out in the form of an education voucher, that would seem to be most efficient, since it would avoid problems of abuses by individual veterans.

2. A price freeze could be announced to help ensure that prices were not raised simply to obtain more dollars from the federal government. Veterans would pay no different tuition for the same courses than other students.

3. An income test could be applied, similar to that used for the Basic Opportunity Grant program of HEW, and like that applied to veterans under the World War II GI Bill. But any income limitation test should recognize the difficult situation of married vets with children, who appear to be making far less use of the GI Bill than single veterans.

4. Perhaps a limitation to veterans who have been discharged since the Vietnam era began on August 4, 1964, might also be appropriate, with a similar limitation to those going to school 3/4 time or more.

5. In order to allow veterans to attend private colleges, a sliding scale of federal participation might be adopted, with the vet paying the first $300 in tuition and the federal government picking up 80% of the next $700, 60% of the next $1,000 and 40% of the next $1,000, for a total federal contribution of $1,560.

The VA has argued that veterans can obtain benefits from other federal programs to meet the inadequacies of their GI Bill funds. But the 1973 ETS study done for the VA showed that veterans were

excluded from participation in most other federal student aid programs. The veteran was caught in a vicious cycle: Because he had the GI Bill, he could not use other federal programs, but because the GI Bill was so inadequate, he could not use that either.

Close questioning by Congressman Neal Smith before the House Appropriations Committee showed that, despite the fact that Congress had thought it was making veterans eligible for the Basic Opportunity Grant program, the regulations in fact excluded them from participation.

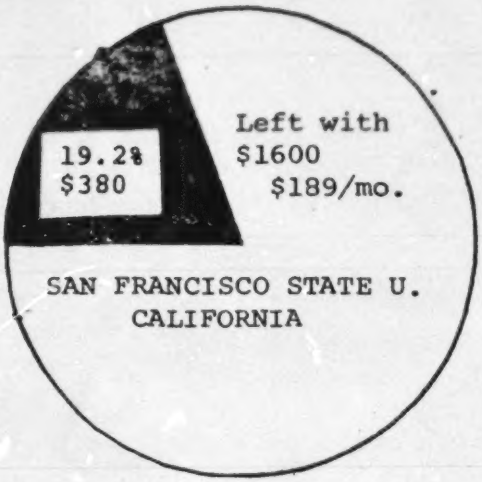
The veteran must look for his salvation to the GI Bill.

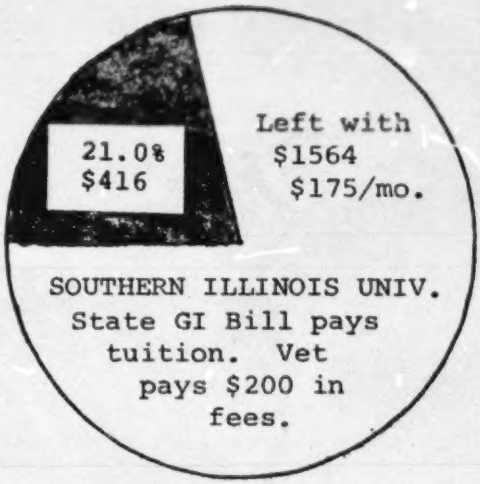
CUMULATIVE GI BILL USE RATES FOR COLLEGE AND JUNIOR COLLEGE AND FOR ALL PURPOSES

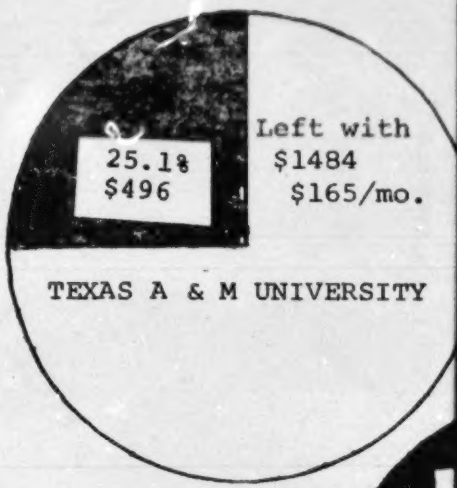
States Ranked by GI Bill College Participation Rate		1974 Viet Vet Population	Jr. & 4-Yr. College GI Bill Use Rate Rank		Total GI Bill Use Rate Rank	
1.	California	820,000	1	41.4%	5	56.7%
2.	Arizona	70,000	2	39.3%	3	61.7%
3.	North Dakota	16,000	3	39.3%	1	73.1%
4.	New Mexico	35,000	4	33.3%	4	61.1%
5.	Oregon	87,000	5	33.1%	16	49.0%
6.	Colorado	93,000	6	32.6%	6	55.0%
7.	Washington	152,000	7	32.5%	10	52.8%
8.	Hawaii	31,000	8	32.2%	7	55.0%
9.	Utah	43,000	9	32.1%	21	48.1%
10.	Idaho	24,000	10	31.7%	11	52.7%
11.	South Dakota	16,000	11	30.6%	2	62.3%
12.	Wyoming	12,000	12	29.7%	15	49.1%
13.	Oklahoma	97,000	13	29.5%	14	49.6%
14.	Texas	38[illegible],000	14	29.1%	25	47.3%
15.	Florida	250,000	15	28.0%	26	47.1%
16.	Kansas	74,000	16	28.0%	19	48.2%
17.	North Carolina	153,000	17	27.6%	12	51.8%
18.	Montana	26,000	18	27.0%	17	48.[illegible]%
19.	Nebraska	48,000	19	26.8%	9	53.[illegible]%
20.	Alabama	100,000	20	26.2%	8	53.[illegible]%
21.	Rhode Island	37,000	21	25.4%	35	42.[illegible]%
22.	Michigan	286,000	22	25.2%	28	45.[illegible]%
23.	Missouri	50,000	23	24.4%	30	45.4%
24.	Illinois	346,000	24	23.9%	34	43.2%
25.	Maryland	151,000	25	23.4%	40	40.4%
26.	Mississippi	50,000	26	23.4%	31	44.6%
27.	Tennessee	128,000	27	23.4%	18	48.6%
28.	New York	513,000	28	23.2%	36	42.2%
29.	South Carolina	85,000	29	23.1%	13	50.8%
30.	Wisconsin	142,000	30	23.1%	27	46.0%
31.	Louisiana	106,000	31	22.7%	20	48.2%
32.	Virginia	169,000	32	22.5%	39	40.8%
33.	Minnesota	145,000	33	22.0%	23	47.5%
34.	Delaware	22,000	34	21.8%	43	38.1%
35.	Massachusetts	203,000	35	21.8%	48	36.5%
36.	Alaska	13,000	36	21.5%	46	37.1%
37.	Arkansas	57,000	37	21.3%	22	47.[illegible]%
38.	Nevada	22,000	38	21.1%	38	41.[illegible]%
39.	Iowa	89,000	39	20.7%	33	43.[illegible]%
40.	Connecticut	103,000	40	20.5%	42	39.7%
41.	West Virginia	50,000	41	19.8%	29	45.6%
42.	Georgia	163,000	42	19.5%	24	47.4%
43.	Maine	33,000	43	19.3%	32	44.0%
44.	Kentucky	93,000	44	19.1%	37	41.6%
45.	Ohio	361,000	45	18.6%	44	38.1%
46.	New Hampshire	30,000	46	18.5%	45	37.4%
47.	New Jersey	226,000	47	18.4%	49	35.1%
48.	Pennsylvania	386,000	48	17.5%	41	40.3%
49.	Indiana	181,000	49	15.2%	47	36.8%
50.	Vermont	16,000	50	14.3%	50	32.8%
		Total		Average		Average
		6,923,000		25.9%		46.3%

GI BILL PAYMENTS BY STATE, GIVING TOTALS AND PAYMENTS ON A PER CAPITA BASIS (FY 68-74)

States Ranked by Viet Vet Population	Viet Vet Population	Rank	State GI Bill Pmts. (FY 68-74)	Rank	Pmts. on Per Capita Basis (FY 68-74)
1 California	820,000	1	$1,726,620,000	7	$2110
2 New York	513,000	3	634,280,000	41	1240
3 Pennsylvania	386,000	5	483,680,000	39	1250
4 Texas	386,000	2	657,360,000	17	1700
5 Ohio	361,000	7	432,980,000	44	1200
6 Illinois	346,000	4	527,350,000	28	1520
7 Michigan	286,000	8	403,750,000	32	1410
8 Florida	250,000	6	435,860,000	14	1740
9 New Jersey	226,000	13	241,680,000	49	1070
10 Massachusetts	203,000	11	252,970,000	40	1250
11 Indiana	181,000	20	195,820,000	48	1080
12 Virginia	169,000	21	188,930,000	47	1120
13 Georgia	163,000	10	267,180,000	10	1960
14 Missouri	159,000	14	234,250,000	31	1470
15 North Carolina	153,000	12	250,290,000	20	1640
16 Washington	152,000	9	278,020,000	12	1830
17 Maryland	151,000	22	182,590,000	43	1210
18 Minnesota	145,000	15	224,810,000	25	1550
19 Wisconsin	142,000	16	214,700,000	29	1510
20 Tennessee	128,000	18	209,690,000	21	1640
21 Louisiana	106,000	24	175,420,000	19	1650
22 Connecticut	103,000	27	137,160,000	36	1330
23 Alabama	100,000	19	199,220,000	9	1990
24 Oklahoma	97,000	23	181,950,000	11	1880
25 Colorado	93,000	17	211,220,000	5	2270
26 Kentucky	93,000	30	123,440,000	37	1330
27 Iowa	89,000	29	123,750,000	33	1390
28 Oregon	87,000	26	154,150,000	13	1770
29 South Carolina	85,000	28	129,190,000	24	1563
30 Kansas	74,000	31	120,350,000	23	1630
31 Arizona	70,000	25	167,540,000	2	2390
32 Arkansas	57,000	32	95,410,000	18	1670
33 Mississippi	50,000	36	76,890,000	26	1540
34 West Virginia	50,000	38	67,070,000	35	1340
35 Nebraska	48,000	34	83,360,000	15	1740
36 Utah	43,000	33	90,180,000	8	2100
37 Rhode Island	37,000	39	55,020,000	30	1490
38 New Mexico	35,000	35	79,960,000	4	2280
39 Maine	33,000	43	42,210,000	38	1280
40 Hawaii	31,000	37	69,010,000	6	2230
41 New Hampshire	30,000	45	35,980,000	45	1200
42 Montana	26,000	41	42,560,000	22	1640
43 Idaho	24,000	42	41,440,000	16	1730
44 Delaware	22,000	47	25,220,000	46	1150
45 Nevada	22,000	46	30,680,000	34	1390
46 North Dakota	16,000	49	42,740,000	1	2670
47 South Dakota	16,000	44	37,270,000	3	2330
48 Vermont	15,000	50	15,110,000	50	940
49 Alaska	13,000	49	15,970,000	42	1220
50 Wyoming	12,000	48	18,490,000	27	1540







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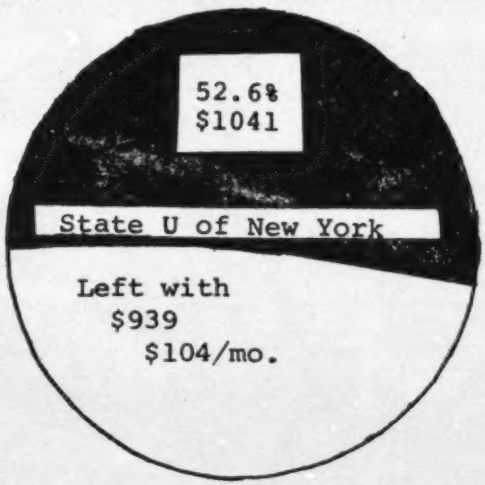
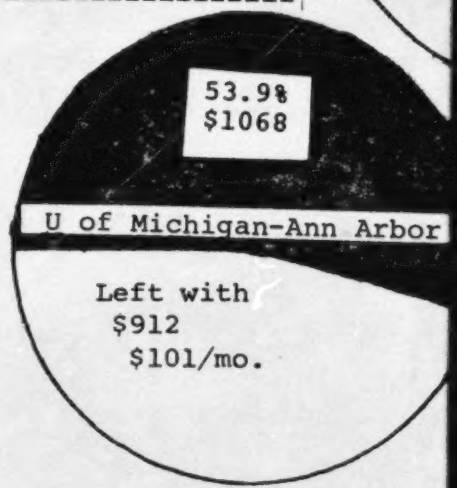
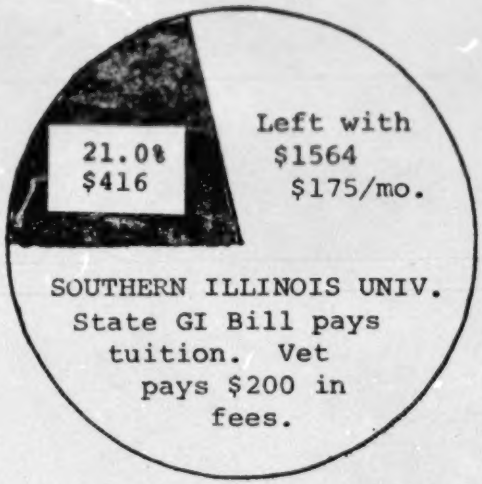
CONTRASTING TUITION COSTS AND SUBSISTENCE MONIES
OF VETERANS AT PUBLIC UNIVERSITIES -- 1974

SHADED AREA = portion of nine-month GI Bill ($1980) used for tuition, fees, books and supplies (average book & supply costs = $216, included in tuition figure).
WHITE AREA = funds left for subsistence for nine months.



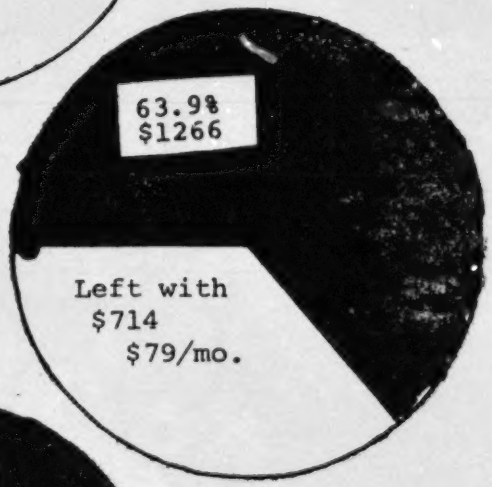


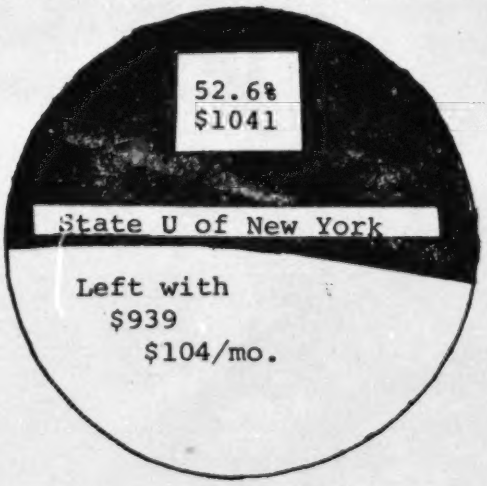


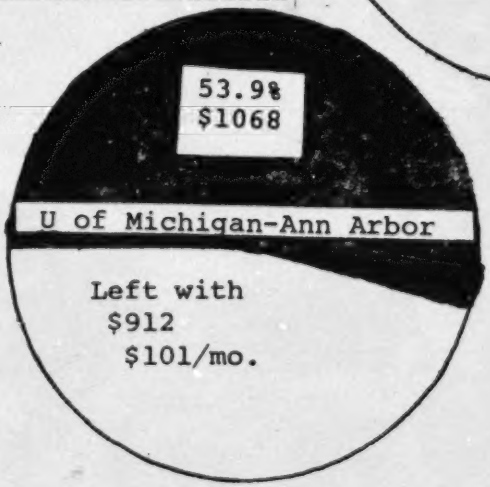
G TUITION COSTS AND SUBSISTENCE MONIES
RANS AT PUBLIC UNIVERSITIES -- 1974

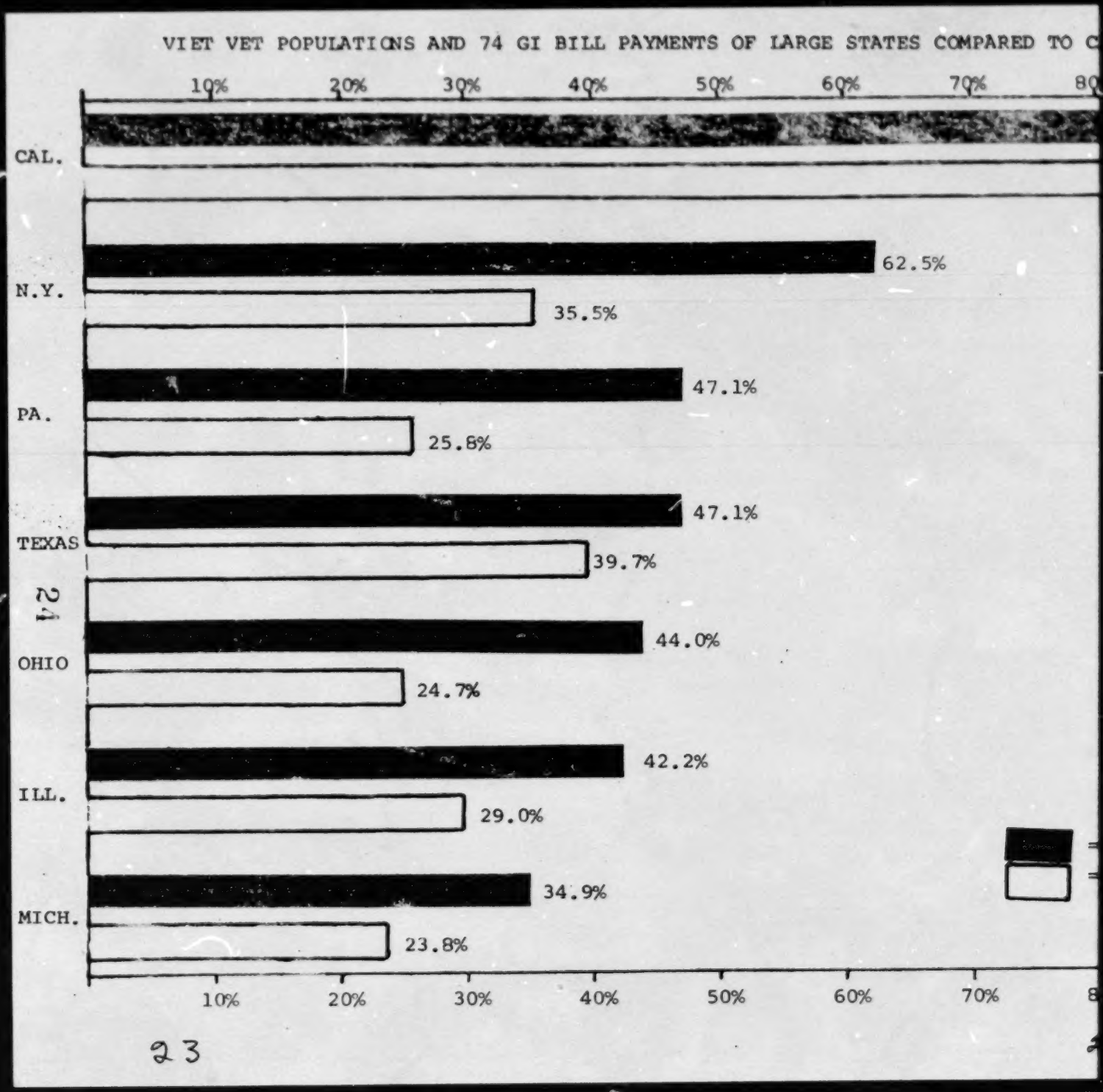
on of nine-month GI Bill ($1980) used for tuition,
plies (average book & supply costs = $216, included

left for subsistence for nine months.

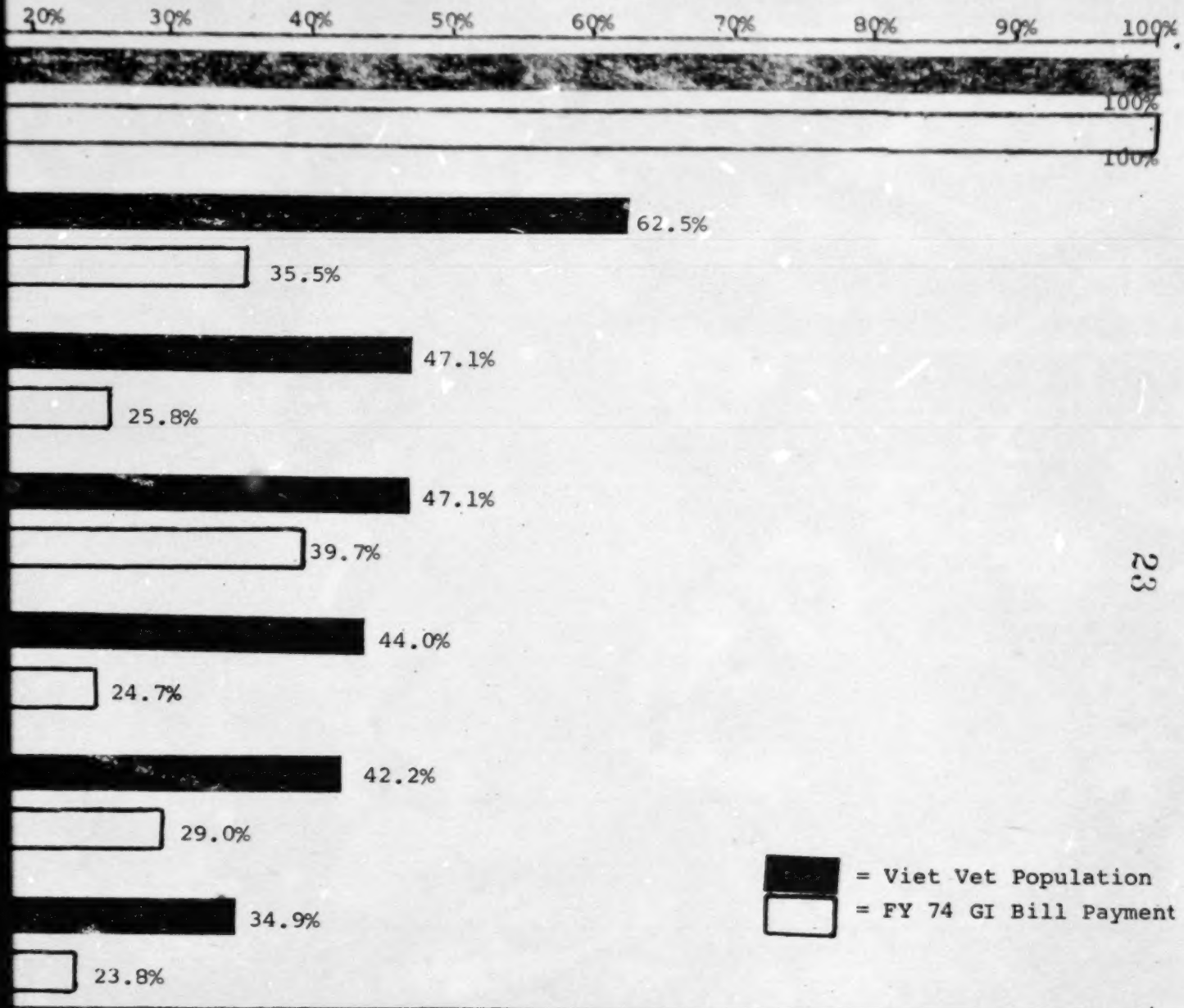


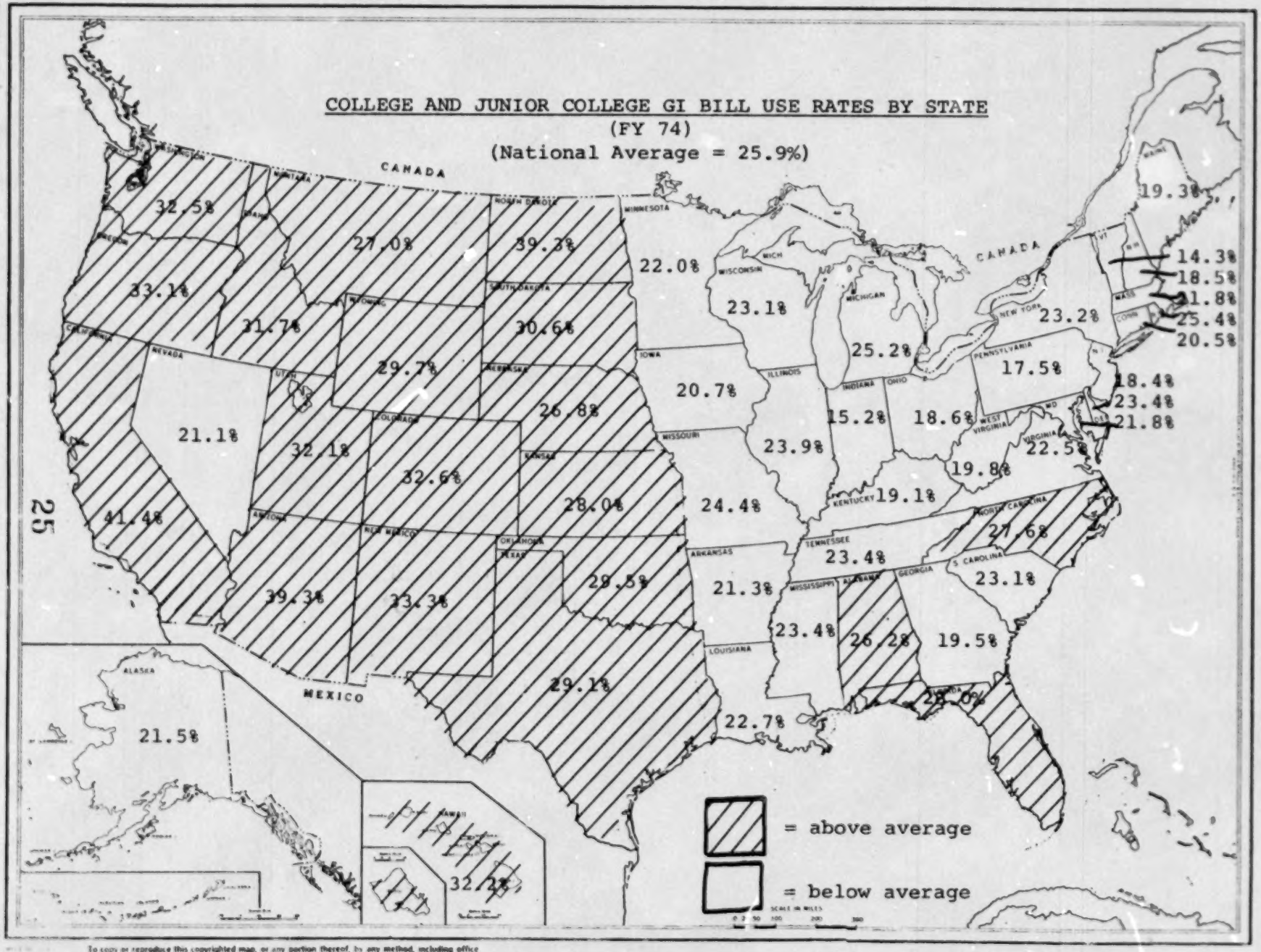





VIET VET POPULATIONS AND 74 GI BILL PAYMENTS OF LARGE STATES COMPARED TO C
10%
20%
30%
40%
50%
60%
70%
CAL.
N.Y.
62.5%
35.5%
PA.
47.1%
25.8%
TEXAS
47.1%
39.7%
OHIO
44.0%
24.7%
ILL.
42.2%
29.0%
MICH.
34.9%
23.8%

ULATIONS AND 74 GI BILL PAYMENTS OF LARGE STATES COMPARED TO CALIFORNIA





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RAND McNALLY
STATE OUTLINE MAP
UNITED STATES
SIZE 8½ x 11

4677

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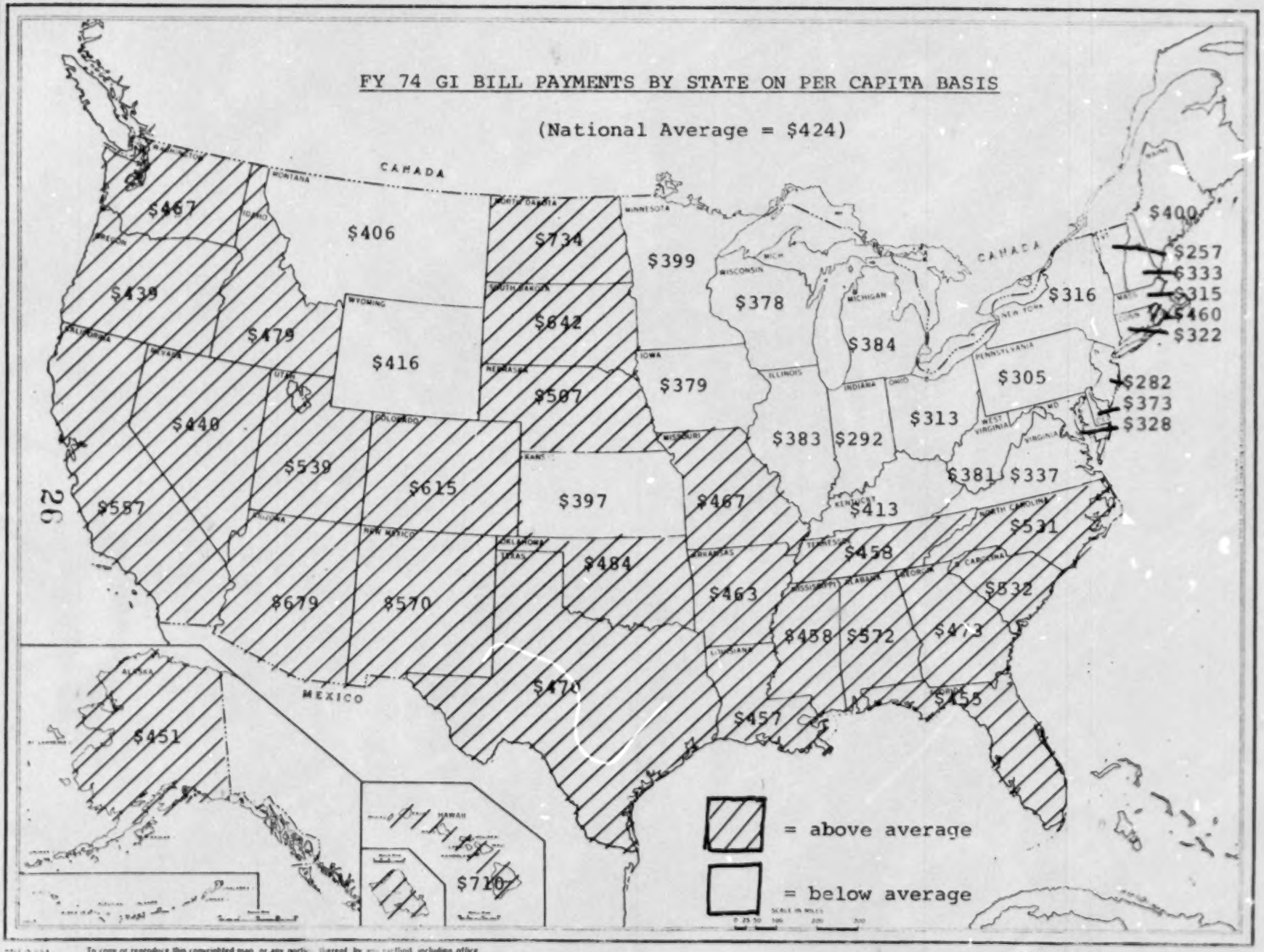

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SUBSISTENCE FUNDS AVAILABLE TO VETERANS
AT ACCESSIBLE STATE COLLEGES AND UNIVERSITIES
AFTER PAYMENT OF TUITION AND BOOKS
ACADEMIC YEARS 1969-70, 1971-72, 1972-73, 1973-74

	1969-1970 Living Funds for One Month	1971-1972 Living Funds for One Month	1972-1973 Living Funds for One Month	1973-1974 Living Funds for One Month
California				
Cal. State at L.A.	$101.88	$148.11	$193.11	$177.66
New York				
City U. of N.Y.	$112.55	$154.44	$198.33	$188.23
State U. of N.Y.	$ 43.33	$ 97.22	$115.55	$104.33
Pennsylvania				
Penn. State U.	$ 52.22	$ 74.44	$111.11	$ 96.00
Texas				
Texas Tech. U.	$ 96.00	$132.88	$178.11	$163.55
Ohio				
Miami U.	$ 48.89	$ 77.77	$116.11	$109.33
Illinois				
U. of Illinois*	$118.89	$161.11	$206.11	$196.00
Michigan				
U. of Michigan	$ 65.56	$ 87.77	$128.77	$101.33
Florida				
Florida State	$ 68.89	$ 97.77	$142.77	$132.66
New Jersey				
Rutgers	$ 59.33	$101.11	$133.33	$115.44
Massachusetts				
U. of Mass.*	$118.89	$161.11	$206.11	$196.00

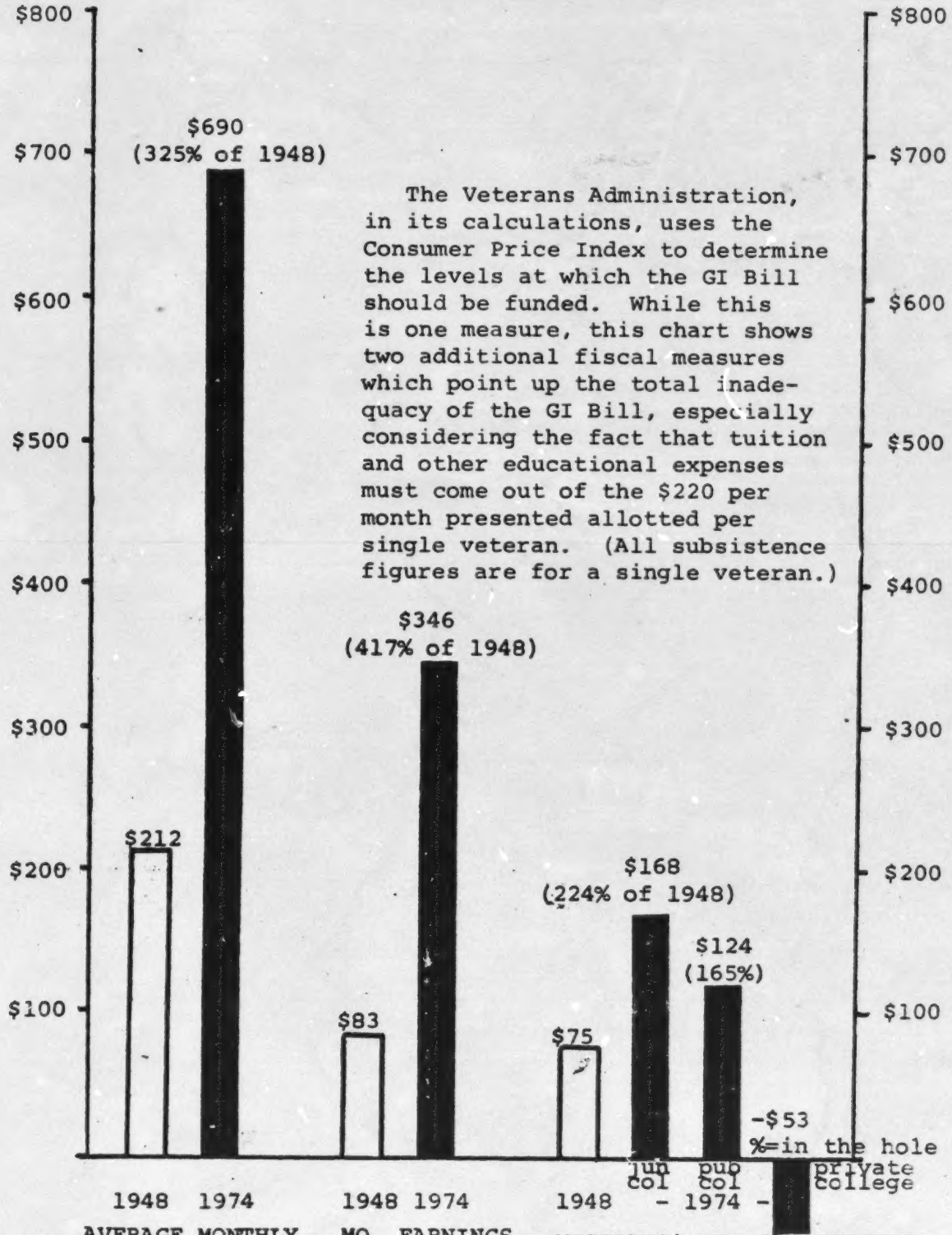
* -- The state GI Bills of Illinois and Massachusetts provide free tuition for veterans in those states at public educational institutions.

NOTE: All data is figured on the basis of a nine-month school year.

The GI Bill carried benefits, before tuition payment, of:

October 1969 -- $130 per month
October 1971 -- $175 per month
October 1972 -- $220 per month

IS A DESPERATELY NEEDED GI BILL INCREASE INFLATIONARY?



The Veterans Administration, in its calculations, uses the Consumer Price Index to determine the levels at which the GI Bill should be funded. While this is one measure, this chart shows two additional fiscal measures which point up the total inadequacy of the GI Bill, especially considering the fact that tuition and other educational expenses must come out of the $220 per month presented allotted per single veteran. (All subsistence figures are for a single veteran.)

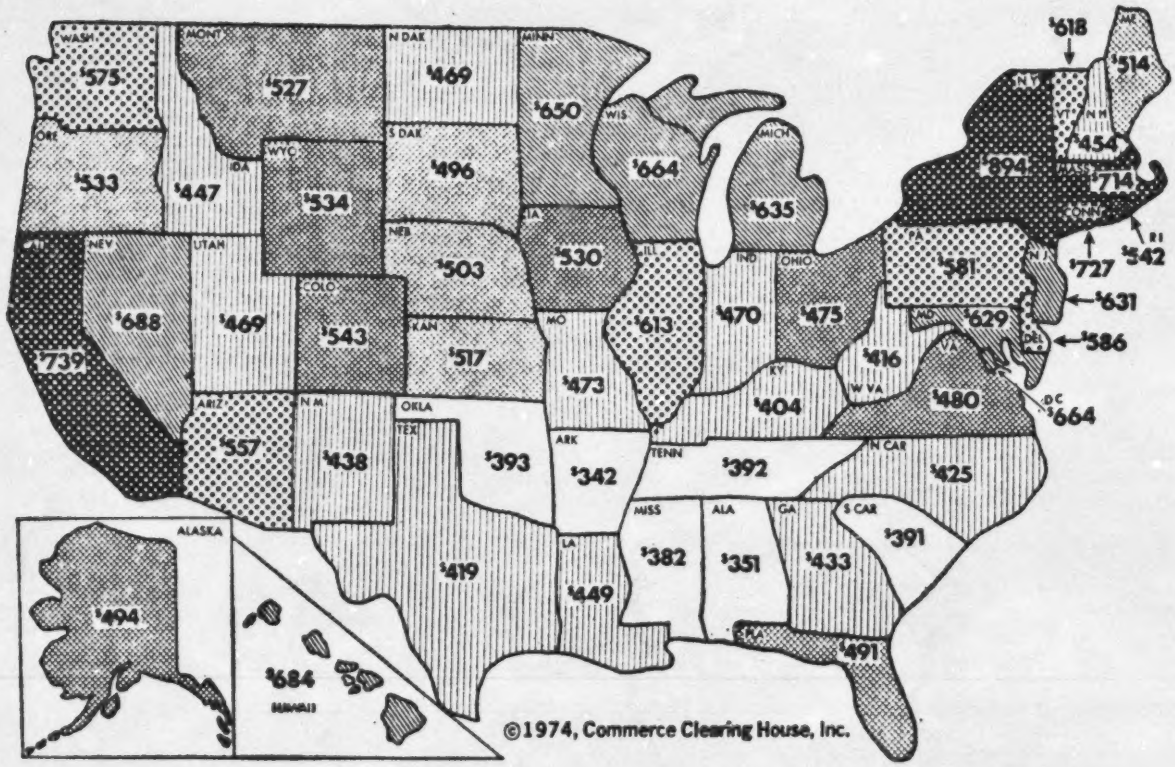
GI BILL ENROLLMENT IN PRIVATE COLLEGES
WORLD WAR II AND TODAY

	1947-48 Enrollment			1971-72 Enrollment		
	Total	Veterans	Percent Veterans	Total	Veterans	Percent Veterans
Stanford University	15,800	7,011	44%	18,000	291	1.6%
Notre Dame	4,200	3,587	85%	6,439	108	1.7%
Holy Cross	1,079	939	87%	2,379	13	.5%
Harvard	5,600	3,326	59%	6,073	89	1.5%
Yale	5,676	3,365	59%	4,739	37	.8%
Northwestern	21,128	9,941	47%	9,372	90	1.0%
Whittier	1,249	507	41%	1,815	66	3.6%
Johns Hopkins	1,757	1,083	62%	2,020	25	1.2%
St. Olaf	1,660	564	34%	2,650	5	.2%
Univ. of San Fran.	2,250	1,496	66%	4,728	375	8.0%
Xavier University	3,163	1,715	54%	2,918	175	6.0%
John Carroll	2,246	1,488	66%	3,210	187	5.8%
Swathmore	1,068	389	36%	1,166	10	.9%
Pepperdine	4,431	2,299	52%	4,641	639	13.8%
Northeastern	8,806	7,176	81%	29,000	4,400	15.2%
Dartmouth	3,167	1,847	58%	3,987	95	2.4%
New York Univ.	26,438	14,359	54%	10,932	463	4.2%

FIGURES SHOWING STATE TAX EFFORTS
GENERALLY AND FOR HIGHER EDUCATION

THURSDAY, OCTOBER 31, 1974

State and Local Per Capita Tax Burden in Fiscal 1972-73



State Appropriations Per Capita
FOR HIGHER EDUCATION

	Per Capita Appropriation	Rank		Per Capita Appropriation	Rank
Alabama	$ 44.20	37	Montana	$ 52.04	22
Alaska	107.04	1	Nebraska	55.35	19
Arizona	70.85	3	Nevada	51.87	23
Arkansas	39.97	45	New Hampshire	22.75	50
California	65.33	8	New Jersey	39.50	46
Colorado	66.97	6	New Mexico	54.71	21
Connecticut	43.80	38	New York	64.04	12
Delaware	64.93	9	North Carolina	62.85	14
Florida	50.96	25	North Dakota	49.81	28
Georgia	48.63	33	Ohio	35.95	48
Hawaii	69.35	4	Oklahoma	39.12	47
Idaho	62.88	13	Oregon	57.32	16
Illinois	55.03	20	Pennsylvania*	41.00	44
Indiana	46.36	35	Rhode Island	50.20	27
Iowa	51.76	24	South Carolina	64.86	10
Kansas	55.73	18	South Dakota	47.24	34
Kentucky	50.52	26	Tennessee	41.13	43
Louisiana	49.29	32	Texas	42.26	41
Maine	43.65	39	Utah	64.57	11
Maryland	44.38	36	Vermont	42.81	40
Massachusetts*	34.44	49	Virginia	49.38	30
Michigan	57.61	15	Washington	66.84	7
Minnesota	49.33	31	West Virginia	49.71	29
Mississippi	56.25	17	Wisconsin*	71.69	2
Missouri	41.24	42	Wyoming	67.70	5
			Total U.S.	51.86	

* Estimated appropriation

Estimates of the 1974 population of the states, reported last week by the U.S. Census Bureau, have been used to calculate the per-capita appropriations for higher education for 1974-75 and the state rankings shown above. Appropriations figures used were provided by M. M. Chambers of Illinois State University.

State, Local Taxes Rose $55 in 1973

Chicago Daily News

In case you hadn't noticed, your state and local tax payments zoomed upward last year, Commerce Clearing House reports.

The national publishing company, examining Census Bureau data, said the average American paid some $577 in income, property, gasoline, liquor, sales and other taxes last year, $55 more than the previous year.

Altogether, the state and local take was $121.1 billion —more than a third of the $305 billion national budget projected for the year ended June 30, 1975.

As has been usual for the past eight years, New Yorkers paid the most in taxes—an average of $895 per taxpayer, compared to $789 in 1972.

COMPARISON OF VIETNAM VETERAN POPULATION AND VIETNAM VETERAN TRAINING UNDER GI BILL BETWEEN CALIFORNIA AND OTHER LARGE STATES (APRIL 1974)

	Viet Vet Population	State Vet. Pop. as % of Calif. Vet. Pop.	State Vet. Enrollment as % of Calif. Vet Enrollment	Viet Vets Enrolled in Training Under GI Bill-4/74
California	820,000			188,500
New York	513,000	62.6%	39.4%	74,332
Pennsylvania	386,000	47.1%	25.2%	47,536
Texas	386,000	47.1%	36.8%	69,292
Ohio	361,000	44.0%	23.5%	44,386
Illinois	346,000	42.2%	27.3%	51,532
Michigan	286,000	34.9%	20.5%	38,556

V A Comparison Table Discussed in Text

COMPARISON OF WORLD WAR II AND VIETNAM-ERA G. I. BILLS
ADJUSTED TO CONSTANT DOLLARS AS OF NOVEMBER 1973
FOR VETERANS IN ATTENDANCE AT INSTITUTIONS OF HIGHER LEARNING

Period of Service and School Year	Average Tuition	Average Books and Supplies	VA Allowance* (9 Month School Year)	VA Allowance Less Tuition, Books and Supplies		Percent Attending Public/Private Institutions
				Amount	Difference From World War II	
World War II						
1948–49 School Year						
Public	$280	$100	$1,348	$1,348	–	50
Private	791	100	1,348	1,348	–	50
Vietnam Era						
1973–74 School Year						
Public	424	150	1,980	1,406	+558	81
Private	2,095	150	1,980	−265	−1,613	19

*Estimates based on single veteran rate.
Source: Veterans Administration, Department of Veterans' Benefits.

HOW GOOD IS TODAY'S GI BILL?

GI Bill Equality for all WW II Vets: Every WW II veteran could go to his state college or university and have $75 for subsistence free and clear of tuition, books, and supply costs (unless he earned more per month than the average US worker).

Tution Charges Control Subsistence for Vietnam Vets: Only some Vietnam veterans who live in low tuition states have sums for subsistence that equal those which WW II vets received. Annual tuition charges for a four-year public college range from $165 in California, to $266 to $378 per year in Texas, to up to $1,050 in Pennyslvania and $1,088 at the University of Vermont.

Equal Educational Opportunity and Equal Military Service: The VA justifies today's combined subsistence and tuition payment system by saying that on the average the Vietnam veteran has more constant dollars for his subsistence than did the WW II veteran. The VA says that to give some veterans more dollars than other veterans receive, results in providing some veterans more benefits, rather than equal benefits for equal military service.

But we are not talking about giving people dollars, we are talking about educational opportunities. Therefore, if some states charge so much more tuition than others and the difference amounts to $900 per year, then some veterans may be unable to use their benefits. Today's system is in fact unequal. Because of a factor over which the veteran lacks control, the tuition structure of his state, some will in practical effect have no GI Bill benefits. Because of this varying cost and the fact that some states relied, after WW II, mostly on private colleges, separate subsistence and tuition payments were used. Today's system would have meant that WW II veterans in many states would never get to college.

The Fallacy of the Average: Advocates of the system of giving veterans equal dollars despite varying state charges for tuition would certainly not have advocated that such a system be applied to giving soldiers airline fares home when they returned from Vietnam to California. If an average had been used to pay for vets airline tickets, then the funds given the veteran would have been based on the cost of all airline tickets sold in the United States. Those veterans living in California would have far more dollars to get home than they needed while those veterans living in New York would have had enough money to reach Chicago but no further. By using an average GI Bill payment, we are penalizing veterans for living in New York, Ohio, Pennsylvania, Indiana, Michigan and the New England states just as we would if we used that average to pay for their airline tickets.

Across-the-Board Increases are Wasteful: Across the board, GI Bill increases do not solve this problem and are wasteful of the axpayer's money. If, in order to get the New York veteran home from California, we gave all veterans 15 or 20% more dollars, the New York veteran would still not get home but the California veteran would have additional dollars to get there.

Some Are More Than Average: The VA argues that on the average veterans have more money than WW II veterans. But by definition, half the people will be less than average and thereby worse off. The point is that all World War II veterans, rather than just those whose states charge average tuition or less had an adequate amount of subsistence funds to attend four year colleges.

Average Tuition Charges Conceal Differences: In reaching its statistics for average public college costs, the VA lumps together the costs at two and four year colleges. Junior colleges, for the most part, charge significantly less than do four year colleges, bringing down the average. But even more important, public colleges and universities in the large states containing the majority of veterans are lumped together without the charges being weighted to reflect the number of veterans those states contain.

The Constant Dollar is a Bad Measure: The tape measure the VA uses to convert 1948 dollars into 1974 dollars, the consumer price index suggests that a 1948 dollar is worth $2.06 in 1974 dollars. This drastically understates the changes in the value of the dollar, as is shown in other items. If the consumer price index measure was used to set the minimum wage as the VA would have Congress do for the GI Bill, then the 40¢ 1948 minimum wage would be set at 82¢ per hour rather than the $2.20 per hour Congress designated in 1974 and the $1.60 fgiure reached in 1967.

Average Monthly Earnings Related to the GI Bill: In like fashion average monthly earnings in 1948 as set by the Bureau of Labor Statistics were $212 per monthly. In February that figure reached $637 per month, three times wha it was in 1948. For today's veterans to have the same relative amount for subsistence that the WW II vets $75 per month equaled, after payment of tuition, books and fees, $212 per month, a figure unavailable to veterans in large states with high cost public universities, even after an increase to $270.

The Minimum Wage Test: Another measure is the monthly earnings a person would receive if paid at the minimum wage. Again, the WW II veteran's subsistence based on a fourty hour week exceeded the minimum wage of 40¢ an hour or $64 per month. The married veteran with a child received almost twice as much as the minimum wage through the GI Bill. Today's veteran receives significantly less than the minimum wage, be he single or marrried.

Personal Income: Personal income was the measure selected by Sar Levitan who said in his 1973 book, Old Wars Remain Unfinished, that "comparing payments to the three sets of veterans should also thake into consideration the overall increase in productivity and standard of living and not only cost of living". Comparing the 191% increase in per capita disposable income compared to that available to WW II veterans he found that net subsistence benefits should have tripled.

Conclusion: All of these different indicators suggest that rather than the 70% of the veterans being better offf than WW II veterans as is claimed, and that these veterans would have to give up dollars were we to return to the WW II system; that if any other measure than the Consumer Price Index were used, the veteran would receive substantial additional subsistence sums, even to those contemplated in a $270 per month GI Bill.